

# WSTPC NATIONAL ISSUES BULLETIN

## APRIL/MAY, 2009

*An e-mail service for members of the Western States Tourism Policy Council by WSTPC Executive Director Aubrey King (301.464.8060), who can provide more details on any of the issues reported here. Comments or suggestions are always welcome.*

*New information since the last National Issues Bulletin is in bold.*

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**A Brief Note on the Convergence of Politics and Economics: Most of the priority issues on the WSTPC agenda have not received much visible attention so far as the new 111<sup>th</sup> Congress and the new Obama Administration have been focused on efforts to turn around the national economy. First came the American Recovery and Reinvestment Act (ARRA aka the “Stimulus Bill”) that dominated the first two months of the year, followed by more recent concern with the massive problems of the banks and the auto industry. This has left comparatively little time or energy for more traditional issues and concerns that have been perceived as less pressing. The customary transition problems resulting from the change in leadership from one party to the other have been further exacerbated by the unusual slowness in filling many subcabinet posts.**

**This is about to change, however. While the economic vital signs remain weak, there are several indications that we may indeed be “bottoming out” as home sales have turned positive, credit availability seems to be recovering, consumer confidence appears to be reviving and the stock markets are moving in a positive direction. While most analysts believe we will continue to bump along the bottom of the economic trough for a while and solid recovery will not manifest itself until late this**

year or early 2010, there is growing reason to believe that the worst of the downturn is over.

Although unpredictable events like the H1N1 flu scare or foreign policy crises may upset any plans and expectations, there is reason to believe that we may now see a return to a more “normal” legislative routine. And in the nation’s capital, the legislative schedule is indeed becoming more active. We finally have a Congressional budget resolution and on May 7<sup>th</sup> the Administration will release the details of the President’s fiscal year 2010 budget. The appropriations committees – first in the House and then the Senate – will then proceed to determining next year’s budgets for all Federal agencies. The first draft of the historic 2010 highway reauthorization legislation is expected by June from the House of Representatives Committee on Transportation and Infrastructure, with the Senate Environment and Public Works Committee taking it up over the summer. (Final enactment by the statutory expiration date of September 30<sup>th</sup> is, however, uncertain and short term extension of the current highway program appears likely.) Significant energy legislation is expected from the Senate Energy and Natural Resources Committee by early summer, which will allow that important committee to focus again on public lands legislation. Of course, President Obama has outlined a very ambitious agenda, which will also occupy much of Congress’ attention, notably health care legislation and tax reform.

A second stimulus bill remains a possibility later this year if economic conditions stagnate or deteriorate further and the travel and tourism industry must be alert to that as both an opportunity to advance its agenda but also as a potential distraction from that agenda if Congress again becomes preoccupied with economic recovery to the exclusion of other matters.

This April/May National Issues Bulletin is shorter and more focused than recent editions. Issues that have been resolved or that do not appear likely to receive serious attention this year have been deleted from this NIB. The focus is on what appear to be those priority issues with a reasonable prospect of receiving Congressional or Administration action this calendar year. Some of the history and background of these current issues have also been omitted for the sake of brevity. Information deleted from this National Issues Bulletin can be referenced in previous editions.

### **Federal Highway Reauthorization**

Chairman Jim Oberstar and the other key leaders of the House Transportation and Infrastructure Committee have agreed on a set of principles for a surface transportation reauthorization bill and are now floating those ideas to the full committee and the White House. The new parameters are thought to call for a \$450 – 500 billion six year bill with greater revenue from the Federal motor fuel tax – probably including inflationary indexing, greater reliance on toll roads and perhaps

**some experimenting with a mileage based fee system. More emphasis will be given to intermodal traveling and to “livability” standards. It is also believed that the number of transportation programs may be substantially reduced from 108 currently to as few as four programs focused on national interests. It is unknown how this consolidation may affect such programs as scenic byways, transportation enhancements and public land roads, although Chairman Oberstar has long been a champion of those programs. A draft bill may be written by the T & I Committee by May 15<sup>th</sup> and marked up as early as Memorial Day**

### **Travel Promotion Act**

The Travel Promotion Act (TPA) is now expected to be reintroduced in the 111<sup>th</sup> Congress in the next few weeks and will probably be the subject of hearings again in both the House and Senate as it proceeds through the legislative process.

Following the Travel Promotion Act’s “near miss” in the last days of the regular session of the 110<sup>th</sup> Congress in the fall of 2008, the travel and tourism industry was unsuccessful in getting it added to either of the two stimulus packages considered (but not enacted) by Congress in the lame duck sessions following the elections or in ARRA, as it was enacted in the early days of the 111<sup>th</sup> Congress.

The 2009 TPA will probably be very similar to its 2007-2008 predecessor legislation in establishing a private corporation to promote and market the U.S. as an international travel destination. The corporation and its programs would be financed by \$100 million in Federal dollars and matching private sector contributions. The Federal share would be funded by a new fee on visitors from visa waiver countries. It is hoped that the new Obama Administration will support this legislation, especially since Senator Obama was a cosponsor of the predecessor legislation

As before, the WSTPC will support this historic legislation while urging a prominent role for state tourism directors, strong representation for rural areas and small businesses, an enhanced role for the new Under Secretary of Commerce for Tourism Promotion that would entail making an annual report to Congress on the facilitation of international travel to the U.S. and a stronger research role for the Office of Travel and Tourism Industries.

### **National Parks Centennial Initiative**

**It is rumored that President Obama’s 2010 budget when it is released May 7<sup>th</sup> may not include the National Parks Centennial Initiative but instead focus more balanced attention on all Interior Department land agencies, not just the National Park Service.**

**Before this rumor, it had been expected that the National Park Centennial Initiative would be reintroduced in the 111<sup>th</sup> Congress in legislation similar to that from the**

**110<sup>th</sup> Congress. A change in emphasis by the Administration to a broader program may have been influenced by the \$920 million in new infrastructure investments for the National Parks in the ARRA.**

**On a possibly related note, the Fiscal Year 2009 Interior Department appropriations did not contain funding for the Centennial Initiative as had been the case in the two preceding fiscal years.**

### **Federal Land Agency 2009 Appropriations**

After nearly a six months delay, Congress finally passed on March 10<sup>th</sup> and President Obama signed on March 11<sup>th</sup> an omnibus spending bill for Fiscal Year 2009 that includes nine appropriations bills, including funding for all the Federal land agencies. The Federal land agencies, especially the National Park Service, received increases over 2008 funding and considerably higher than proposed in the Bush Administration 2009 budget.

Following are the final 2009 spending levels as provided for selected land agency programs particularly salient to tourism and recreation interests. 2008 appropriations are in parentheses with the amount proposed by the Bush Administration in its 2009 budget proposal also shown.

NPS Operations	\$1.895 B (\$1.745 B)(Adm requested \$2.132 b)
NPS Centennial Initiative	-0- (\$25 M) (nothing requested by Adm)
National Forest System	\$1.603B (\$1.506 B)(Adm requested \$1.349 B)
FS Recreation	\$277.6 M (\$262.6 M)(Adm requested \$237Mm)
FS Trails	\$81M (\$76.4M)(Adm requested \$50.4 m)
BLM Rec Management	\$63.7M( \$67M) (more than Adm requested of \$58.7Mm)
FWS Refuge Management	\$462.9M(\$434.1M)(Adm requested \$434.1M)

### **Federal Land Agency 2010 Budget Proposals**

**The details of President Obama's 2010 budget are expected to be released on May 7<sup>th</sup>.**

On February 26<sup>th</sup>, the Administration released an outline of its 2010 budget proposals that calls for major increases for Federal land agencies.

- Park Service Operations would be increased \$100 million over 2009 funding.
- Park Service Centennial Challenge would get a \$25 million advance.
- National Forest protection would be increased \$50 million.

- A new emergency fire fighting fund of \$357 million would be established with \$282 million for the Forest Service and \$75 million for the Interior Department.

### **Recreation Fee Program**

**Senator Max Baucus has promised to reintroduce legislation in the 111<sup>th</sup> Congress that would repeal the recreation fee program for all Federal land agencies except the National Park Service. In the 110<sup>th</sup> Congress, Senator Baucus, with Senators Salazar, Tester and Crapo, introduced S. 2438, the Fee Repeal and Expanded Access Act (FREAA), which would have virtually eliminated recreation fees for all Federal land agencies except for National Park Service entrance fees as authorized by the Federal Lands Recreation Enhancement Act of 2004 (FLREA). . Although the House National Parks, Forests and Public Lands Subcommittee held a June 18, 2008, hearing on FLREA implementation, neither the House nor the Senate held any hearings on S. 2438. No companion bill was introduced in the House in the 110<sup>th</sup> Congress.**

### **New National Park Service Tourism Plan**

**The WSTPC and other organizations are submitting statements to the House Interior Appropriations Committee urging increased funding in the 2010 National Park Service budget to enable the NPS Office of Tourism to implement fully its new tourism strategic plan.**

The WSTPC and other tourism organizations were gratified in October, 2008, when the National Park Service adopted a new, progressive strategy to foster closer and more effective collaboration between the agency, the tourism industry and local gateway communities. It promises to be a major step towards reversing the two decades trend of declining visitation in the national parks. The challenge is now to secure sufficient budget and staff resources to implement the new tourism strategy. Highlights of the new plan include:

- (a) proactive engagement of the tourism industry and local gateway communities at all NPS organizational levels in building sustainable cooperative marketing partnerships to define the message, extend the reach of the park awareness and leverage the park's interpretation, education, conservation and responsible use messages;
- (b) better understanding of consumer awareness, expectations and motivations for travel to parks through research and analysis;
- (c) use of marketing tools to address visitor distribution strategically;
- (d) cultivation of visitor centricity in training of a new generation of park leaders;

- (e) use of the tourism strategic plan as a blueprint for the implementation of agency objectives, such as bringing children and families into the parks;
- (f) increasing awareness of and visitation to lesser known parks.

### **Facilitation of International Travel: Inspecting and Processing**

**“Progress” has been slow by DHS to implement provisions in the department’s 2009 appropriations where Congress directed specific measures intended to facilitate international travel to the U.S. as authorized in the 2009 Homeland Security Appropriations Act enacted in September, 2008.**

These enacted provisions include:

- (1) \$10 million for DHS registered traveler programs to provide expedited clearance for pre-cleared visitors;
- (2) \$8.75 million for 173 new Customs and Border Protection officers for airports and \$28.3 million for 561 new CBP officers at land borders;
- (3) \$500,000 for additional staff to manage expansion of the Visa Waiver Program.

The DHS continues to plan on requiring full passport identification on June 1, 2009, for all travel to and from Canada and Mexico.

### **DHS Fingerprint Identification Requirement Approaches June Deadline**

To implement the requirement mandated by the 9/11 Commission Act to identify outbound international travelers, the DHS is proposing that airlines scan and collect fingerprints from all those passengers. The airlines and other travel industry organizations have opposed this and suggested that the government should take the responsibility for fingerprint scan collection. The DHS says that if these fingerprint procedures are not in place by June 30, 2009, “the department may not be able to extend VWP privileges to new countries.” Several tests are underway to assess the relative merits of collecting fingerprint data at check-in or at the gates.

### **New Approach to Funding Emergency Forest Firefighting**

H.R. 1404, the successor to last year’s FLAME Act, passed the House of Representatives on March 26 as co-sponsored by Representatives Nick Rahall, Chairman of the House Natural Resources Committee, and Representatives Mike Simpson, R-ID, and Greg Walden, R-OR, and a Senate version, S. 561, introduced by Senators Jeff Bingaman, D-NM, Chairman of the Senate Energy and Natural Resources Committee and Lisa

Murkowski, R-AK, Ranking Republican on the ENR Committee, is before the Senate. Both bills have significant support, including five former chiefs of the Forest Service and a coalition of industry and environmental groups as well as the Western Governors Association. The legislation would establish a separate account to absorb funding for the vast majority of emergency wildfire costs, leaving only a small amount of funding within the Forest Service's operational budget to cover non-emergency wildfire suppression costs. In a significant change from the 2008 FLAME Act, however, neither bill specifies the amount of money to be included in the new supplemental fund, which would be subject to annual appropriations.

For more than a decade, the cost of fighting wildfires on Federal lands has been a growing burden on the operating budget of the Forest Service. In 1995, fire fighting costs were about 15 percent of the operating budget, while in 2008 those costs are projected to be nearly 45 percent. This budgetary pressure has now attracted the attention of Congress and several western senators from both parties.

### **Two New National Study Groups Completing Work**

The two national study groups formed last year to examine the outlook for outdoor recreation and the national parks respectively are expected to complete and release their studies by late spring or early summer, 2009.

History: Two national private sector study groups formed in the summer of 2008 may have an impact on tourism and recreation issues pertaining to the Federal Lands. The first group is the Outdoor Resources Review Group (ORRG), which started in July and is comprised of 18 well known figures from major national organizations – a group one observer has characterized as the “recreation establishment.” Co-chaired by Henry Diamond, partner in the legal firm of Beveridge & Diamond and formerly chief of staff on the Rockefeller Outdoor Study Commission, and Patrick Noonan, Chairman Emeritus of the Conservation Fund, the ORRG self-declared mission is to develop recommendations for the future of outdoor recreation in America. ORRG was launched as strictly a private sector endeavor after earlier attempts to get Congressional or Presidential authorization were unsuccessful, although Senators Jeff Bingaman (D-NM) and Lamar Alexander (R-TN) are honorary co-chairs. The ORRG may also wind up recommending that a more official Federal Study Commission be established to take a more comprehensive look at outdoor recreation challenges.

The second study group is the thirty member National Parks Second Century Commission launched in August and co-chaired by former Senate Majority Leader Howard Baker (R-TN) and former Chairman of the Senate Energy Committee J. Bennett Johnston (D-LA). With full support pledged by the National Park Service, and financed by one million dollars in funding from the National Parks Conservation Association, the NPSCC mission is to recommend policies for the second century of the NPS beginning in 2016.

The two groups were apparently formed independently and have no direct connections.

### **Stimulus Benefits for Travel and Tourism**

Following is a synopsis of the most salient features for tourism and recreation of the recently enacted H.R. 1, the American Recovery and Reinvestment Act (ARRA). This historic legislation makes supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization, for fiscal year ending September 30, 2009, and for other purposes:

Investments in tourism marketing were not deemed to be sufficiently stimulative and neither the Travel Promotion Act championed by U.S. Travel and supported by the WSTPC and the rest of the tourism industry nor grants to State and local tourism offices for tourism development projects as supported by many in the industry ever developed much traction with Congress.

Many of the small businesses that dominate the tourism industry will benefit from tax law changes providing new tax credits, deductions and loss carry provisions. But perhaps the only segment of tourism and recreation to receive a direct consumer-related benefit in H.R. 1 was the RV industry. State sales taxes on purchases of new “motor homes,” as well as automobiles and light trucks, can now be deducted from Federal income taxes up to a \$49,500 purchase price.

Otherwise, the major stimulus benefits for tourism and recreation will be significant new infrastructure investments, especially in transportation projects and on the Federal lands, as urged by the WSTPC and others:

#### **Transportation**

ARRA appropriates about \$48.12 billion for highways and transit projects of the U.S. Department of Transportation, \$1.3 billion for aviation and \$9.3 billion for intercity passenger rail projects -- more than was provided in either the House bill or the Senate bill (principally due to the unforeseen high level of non-Amtrak rail funding --\$8 billion) Here is the breakdown by mode of transportation, with some of the pertinent requirements:

##### **Highways**

\$27.5 billion in formula grants to the states for highways and bridges

States have 120 days after apportionment to obligate the first 50%, and must obligate the remainder within one year after apportionment.

##### **Transit**

\$8.4 billion for the Federal Transit Administration

\$6.9 billion towards capital formula grants

\$750 million towards fixed guideway modernization formula grants

\$750 million towards new starts

States have 120 days after apportionment to obligate the first 50%, and must obligate the remainder within one year after apportionment.

#### Aviation:

\$1.1 billion for supplemental airport improvement grants (Federal share of AIP is 100%)

\$200 million for FAA procurement

#### Passenger Rail:

\$850 million for Amtrak capital grants

\$450 million through DOT for Amtrak security upgrades

\$8 billion for intercity passenger rail grants and high-speed rail projects

These funds are available through the end of FY 2012.

#### Water Resources:

\$4.6 billion for the water resources programs of the Army Corps of Engineers.

### Federal Lands Infrastructure

National Park Service – about \$920 million (Although the NPS did not get the \$2.1 billion originally approved by the House of Representatives, it nonetheless received approximately \$920 million.)

\$146 million for operations and maintenance

\$589 million for construction

\$15 million for historic preservation grants

\$170 million for park roads (from Federal Highway Trust Fund)

Forest Service – about \$900 million (The final bill contains many fewer restrictions on acceptable FS expenditures than were in the Senate version.)

\$650 million for construction

\$250 million for fire fighting and reduction (\$250 million is also approved for State and local fire programs and \$15 million is given the BLM)

Bureau of Land Management – about \$25 million

\$315 million for construction

\$15 million for fire programs